

**LOCAL BOARD OF APPEALS AND EQUALIZATION
ANOKA CITY HALL
CITY COUNCIL CHAMBERS
MAY 2, 2022**

1. CALL TO ORDER

Mayor Pro Tem Wesp called the meeting to order at 6:00 p.m.

2. ROLL CALL

Present at roll call: Mayor Rice (arrived at 6:11 p.m.), Councilmembers Barnett, Skogquist, and Wesp.

Staff present: City Manager Greg Lee; City Assessor Ryan Kirby; Appraiser Mike Brown; and former City Assessor Scott Varner.

Others present: Anoka County Assessment Manager Theodore Anderson.

Absent: Councilmember Weaver.

3. BOARD OF APPEALS AND EQUALIZATION

City Assessor Ryan Kirby shared a staff report stating annual assessments of all taxable property were made to provide the means for measuring each taxpayer's relative share of the cost of local government. Notice to property owners had been mailed and legal notices had been posted and published. Like past years, most calls/concerns were addressed informally. Property owners who desire to have their concerns addressed by the City Council should appear.

Valuation/classification changes made by staff or Council do not affect the overall revenue received by the City but does affect how the tax burden is distributed. He said upon review of all property owner appeals, either present or in writing, Council should adjourn the 2022 Board of Equalization. He said overall market value was up 18.45% which included the foundations of the American Coop, addition to MN Firearms, six new homes, 50 new townhomes, and numerous additions and other improvements. He said this was the ninth year of increases after five years of decreases, with commercial values up 9.05%, industrial up 23.31%, apartments up 11.22%, and 1-3 units up 21.04% which will continue to be monitored throughout the year.

Mayor Pro Tem Wesp asked for an overview of the significant value increases and how that affects property owners. Former City Assessor Scott Varner commented on the value side of the equation and said he thinks it is too early to project impacts on property owners related to the 2023 property taxes. He said the legislature was in session that could change how taxes were calculated next year and that most residential properties went up 20% and that the tax base would

get larger based on the number of units of government which will levy the same as the tax rate will decrease and the impacts will be realized later. He said it was his opinion any tax increases would be much smaller than the magnitude of the valuation increase.

Councilmember Skogquist noted his valuation went up 10-11% and said his tax bill increased 6% but said the County increase was flat and that the City tries to do under 5% then noted past year's valuation increases were a fraction of the actual increase.

Mr. Varner said many variables were included but noted everyone was enjoying an increase in valuations but said in the past it was more affordable and were appreciating faster and higher valuation homes which were not as much, adding the increase was by far the largest in 38 years.

Mayor Pro Tem Wesp if inflation and interest rates rise there will be an affect on property valuations. Mr. Varner agreed, stating they followed the market but were surprised with prices now and interest rates trending up but believed we will see leveling off at a minimum.

4. PUBLIC COMMENT

Mayor Pro Tem Wesp noted there was no one present to speak. Mr. Varner stated staff had received more calls this year than in the past and had tried to address concerns prior to the meeting due to the amount of increase and we were able to explain the market and its impacts.

Mayor Rice shared comments about the importance of the public comment period to adequately hear property owner concerns.

Councilmember Skogquist asked for more background on the industrial property valuation and sales. Mr. Varner said the amount was right in line with the number of sales but noted it could change in the future, adding it was still under a number that sold and that staff expected the Cretex buildings would be available soon as they were under construction for a 200,000 square-foot building on Highways 610/169.

Mayor Rice said they were bounding very fast and noted rental properties were as well. Mr. Varner commented about mechanisms to slow the valuation but noted so many buyers were present that there was sufficient demand, adding rental has decreased.

Councilmember Skogquist commented on the new normal and that hopefully the market would level off soon.

Mr. Varner said most were happy with the increased valuations rather than lower valuations which was good then shared more recent property valuations.

City Manager Greg Lee shared comments about the costs of current construction.

5. COUNCILMEMBER COMMENTS

None.

6. ADJOURNMENT

Motion by Councilmember Wesp, seconded by Councilmember Skogquist to adjourn the Worksession at 6:40 p.m. Motion carried.

Submitted by: Cathy Sorensen, *TimeSaver Off Site Secretarial, Inc.*

Approval Attestation:

Amy T. Oehlers, City Clerk